5th UNCEBTS Meeting

UNECE Group of Expert on Business Registers

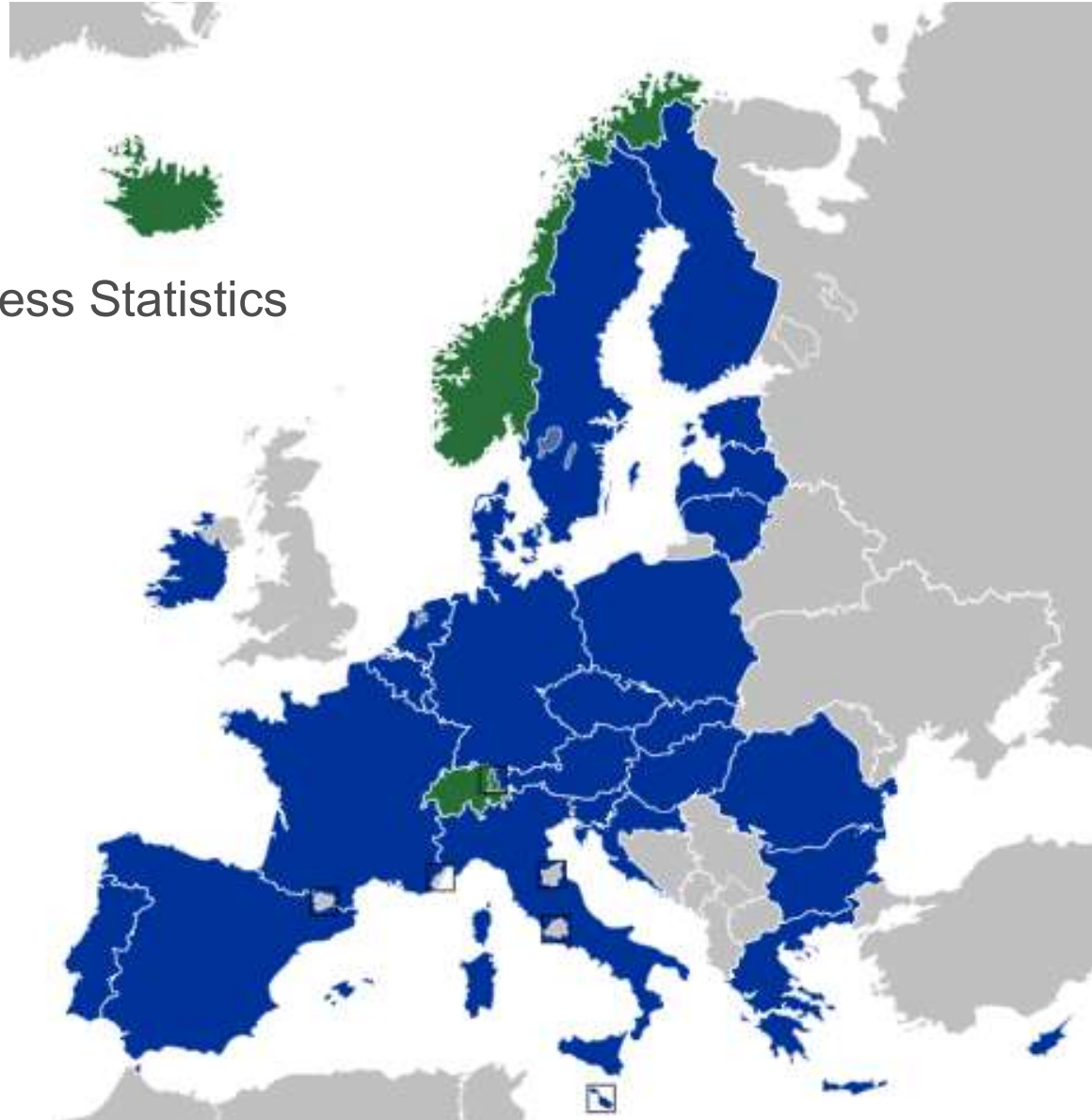26 – 29th September 2022

Session 4: Modernization of the SBR

Strategy and solutions for the EuroGroups Register (EGR)

Eurostat, G1 – September 2022

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Overview

- Role of EGR in European Business Statistics

- EGR facts and figures

- Continuous Improvement

Role of EuroGroups Register in European Business Statistics

- Regulation 2019/2152 on European Business Statistics, defines the role of EGR in EBS:

  - National statistical business registers and the EuroGroups Register shall be the authoritative source for deriving high quality and harmonized statistical business register populations for the production of European statistics

  - In particular globalisation statistics need consistency at EU level, thus the EuroGroups Register shall be the authoritative source for the ESS as a register population for business statistics requiring the coordination of cross-border information related to multinational enterprise groups

  - 'authoritative source' means the sole provider of data records containing national statistical business register and EuroGroups register data in accordance with quality standards

- EGR is a well-established process since 2015 and it is considered the ESS common infrastructure for a systematic approach to MNE groups data and produce high quality statistics on globalization at national and EU level

- EGR requires evolutionary improvements and upgrades to continue satisfy users requirements and embed new sources and technology

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Some Facts & Figures about EGR

EGR MNE groups' structures in EU

- EGR provides the complete view of all enterprises and legal units in the same MNE group, i.e. foreign affiliates enterprises of an MNE group gets the same UCI
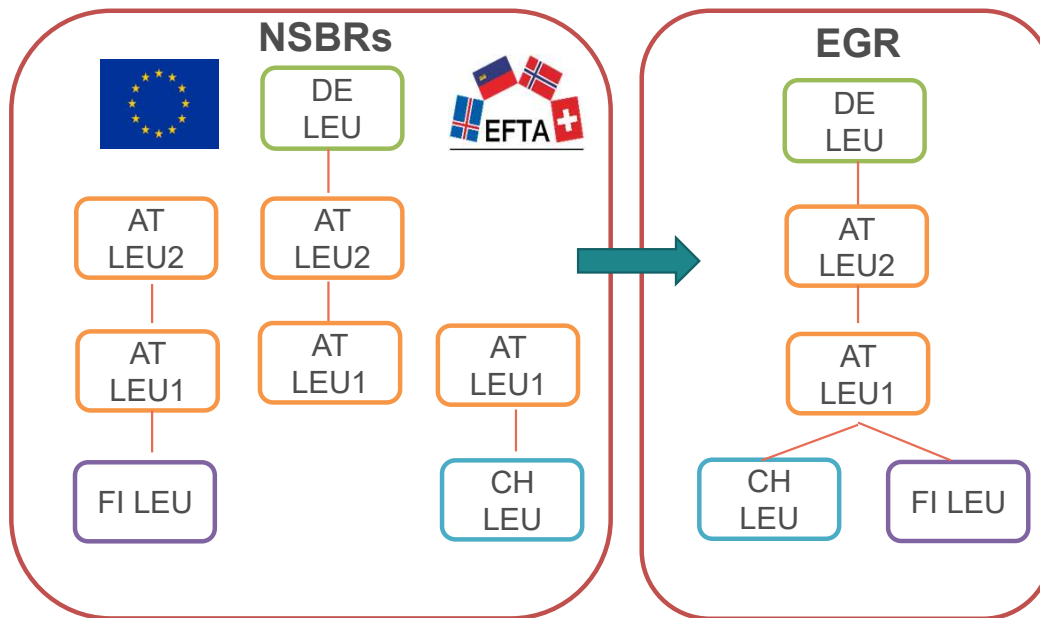
- Data exchanges between the national BRs and the EGR are regulated by legal framework and compliant with standards for data and metadata exchanges

EGR statistical units and variables

- Legal Units
- Enterprises
- MNE groups

- Identifiers (national/international)
- Demographic information
- Stratification parameters
- Economic variables
- Control and Ownership of Legal Units

Commission Implementing Regulation (EU) 2020/1197 of 30 July 2020

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EGR statistics on MNE groups – RY 2020

- [Multinational enterprise groups and their structure - Experimental statistics - Eurostat (europa.eu)](europa.eu)

- 135 450 MNE groups operating in EU and EFTA countries

- over 1.2 million legal units

- 468 000 enterprises in the EU and EFTA countries employing over 42 million people (i.e. around 1 in every 5 employed people in Europe)

- 416 000 enterprises outside the EU and EFTA

- 10% of MNE groups in EGR cover 90% of employment: in EGR MNE groups are very polarized and few large ones dominate

- 75 % MNE groups are controlled by a EU country (66 %) or an EFTA country (9 %), together covering 84 % of EGR employment

- UK controls more than 15 000 MNE groups in EGR; US around 5 000, Japan around 1 000

EGR online interfaces – RY 2014/2020

- EGR Interactive Module (IM)
  - Visualize, Edit, Download

- EGR FATS
  - Retrieve final populations

EGR statistical users

- Available to EU- EFTA NSIs and NCBs (for statistical purposes)

- More than 500 individual access rights

- Statistics on FATS, FDI, TEC, STEC, GVC, where respondents are asked information about controlling/controlled/belong to a MNE group for classifications and breakdowns by control/UCI;

- Large Case Units, Asymmetries resolution mechanisms (FDI, ITSS), GNI, where complete MNE groups' structure is needed for consistency work;

- EGR is based on harmonised methodologies, concepts and definitions, it produces stable annual frames and offers simple access

- ESS reduces cost and burden and avoid double work

Input

Input

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all for One

One for all

Output

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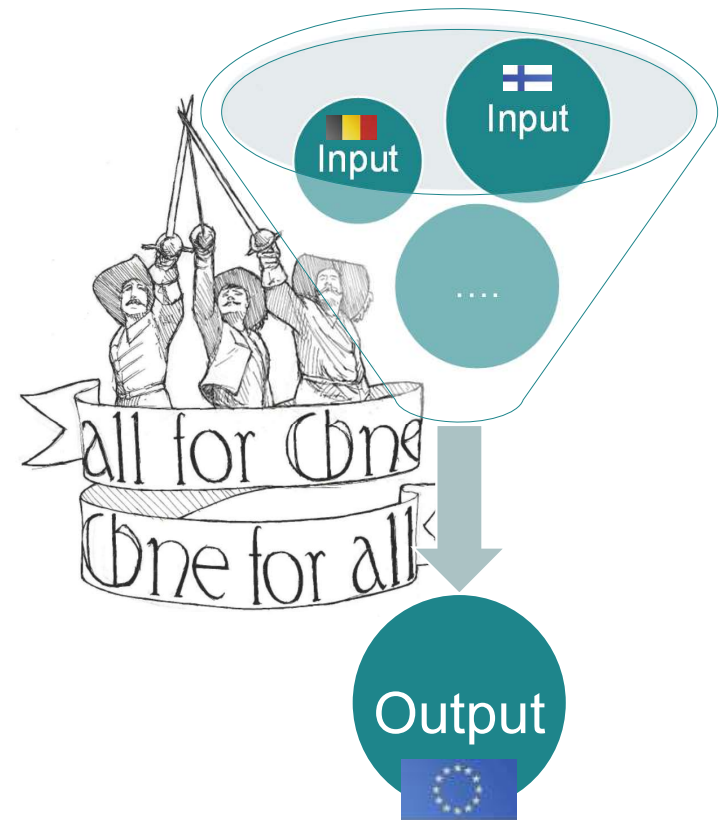
EGR continuous improvement and innovation

Drivers for change

- Globalisation significantly affects European economies and creates new requirements in terms of quality, timeliness, and frequency of updating of EGR data

- The number of EGR users has highly increased over the last years, as ESS statisticians need to have an up-to-date and efficient infrastructure to analyse MNE groups' data consistency across domains and across countries, to produce statistics directly from EGR using micro-data linking and to increase the timeliness of some business statistics

- EGR data are more and more requested even for non statistical purposes (not allowed by the current legal framework), to monitor in particular the financial market
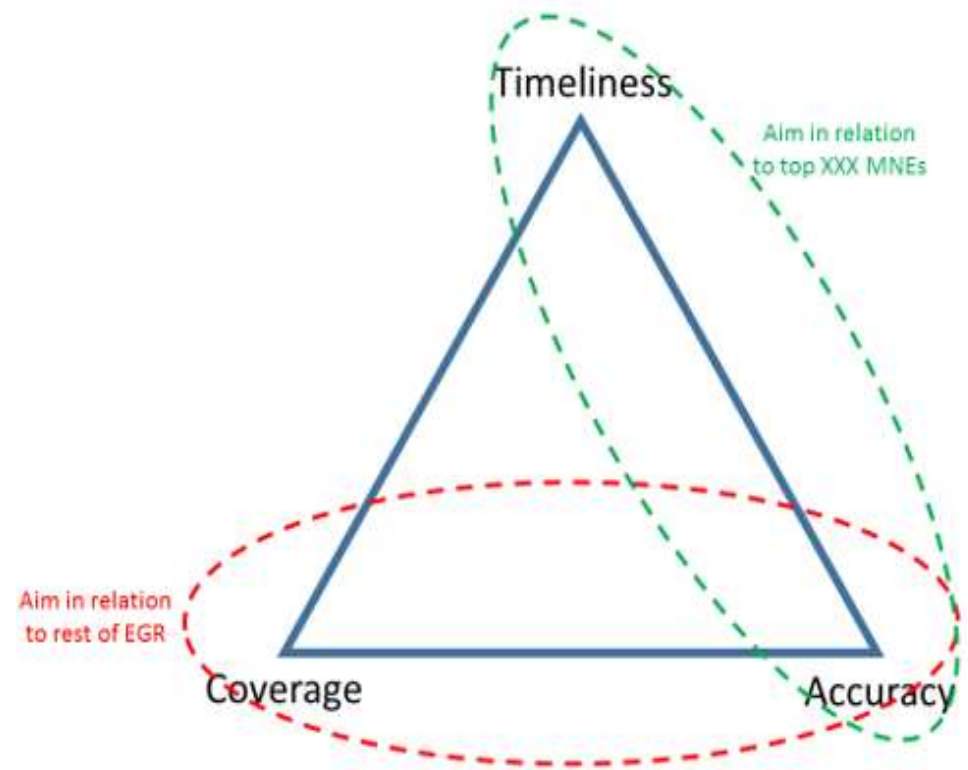
With limited resources in Statistical Offices and in Eurostat, the ESS agreed on a Strategy for EGR that concentrates efforts to further improve the quality in a cost-effective way:

By prioritizing the attention to those MNE groups with sizable effects on statistics

By embracing new sources and technologies

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Strategy for the next period

- Apply the two tier approach:

    - Focus on accuracy and timeliness for the TOP-TIER (the largest) MNEs, which are the most important for the EU economy, as agreed by the ESS

    - Invest in full automation for the 'BULK' (all the other MNEs and Foreign controlled groups) TIER, while timeliness for those is not such a high priority.

Timeliness

Aim in relation to top XXX MNEs

Aim in relation to rest of EGR

Coverage

Accuracy

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Strategy for the next period

- Accuracy the key element in the EGR quality

- Change the process and upgrade the system by reusing as much as possible and taking advantage of the existing capabilities

- Process automation / IT products simplification / user friendly online interfaces

- Embrace new technologies and innovation

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Strategy implementation

- A task force has been set up by Eurostat to elaborate on the requirements and discuss the technical modifications needed to be implemented in EGR

- The task force is working on the methodological and technical requirements in order to implement the two tier approach.

- A Complexity and Statistical Impact index (CSI) has been defined in order to be used to distinguish between the two populations (top-tier and bulk-tier)

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Strategy implementation

- Once selected the Top-tier will be profiled and regularly monitored according to an event-driven model.

- Important events affecting the statistical output will be monitored and updated in the system as soon as they are known by the profilers.

- A leaner profiling process has been proposed by the task force and is under discussion, based on the results of the EU profiling programme, which were positive however the current process was considered as resource heavy.

- Process automation for the bulk tier will be implemented using also new (structured and unstructured) data sources.

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Continuous improvement and innovation

- EGR will remain up to date, inline with the Eurostat IT Strategy and the ESS innovation agenda:

  - Research work to collect and use new data from publicly available sources to complement missing information is ongoing.

  - Evaluate and introduce the use of modern data analytics platform for the visualization, and analysis of the data.

  - Explore and introduce machine learning capabilities, in order to improve quality and completeness of the output.

    - Decision support systems allowing the users to introduce data from public data sources, whenever missing

    - Systematic error correction and handling using Machine Learning techniques

Keep in touch

Eurogroups register - Statistical business registers - Eurostat (europa.eu)

European profiling - Statistical business registers - Eurostat (europa.eu)

Publications - Statistical business registers - Eurostat (europa.eu)

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Thank you

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